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SUBJECT: VP BIDEN DISCUSSES RECONCILIATION, DEVELOPMENT
WITH NGOS AND UNAMI

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both a lack of resources and a lack of governance; she contended that resources exist, but they are not made available to the communities that need them. Ammar Al-Shahbander of IWPR said that everyone wants schools, services, and electricity, but "the government tells us there is no money." He added that bad governance plays a role, but so does insufficient development of resources, and suggested that poor water management is a good example of this problem.

¶6. (C) Vice President Biden asked how economic development could make a difference. Al-Nouri explained that she had lived in Sulaimaniyah until early this year, and there she saw that many Kurdish communities had good standards of living and services. However, she added, improved services could help populations in the disputed areas because these communities are less developed and lacking in basic systems, due to their disputed status. Andrew Gilmour agreed that the disputed areas are among the poorest in Iraq, but pointed out that services can not do much good in these communities until the territorial disputes are addressed. Yarub Al-Shirada of Relief International recommended that the best thing to do in Iraq is to bring services to the poor. Al-Shahbander added that public information is also an important element of social change, noting the media's increased coverage of Kurdistan ahead of the upcoming elections.

A Question of Corruption

¶7. (C) Vice President Biden then asked about the participants' experiences with corruption in Iraq. Sahar Al-Nouri responded that Mercy Corps has programmed over \$100 million in Iraq since they arrived in country; she acknowledged that the risk of corruption exists. She said it can be very difficult for Mercy Corps staff to work in the disputed areas, and often they must change partners when corruption issues arise. Al-Nouri asserted that the larger the program, the more susceptible it can be to corruption; she pointed to past military programs as an example. Al-Nouri opined that large programs can only succeed if the community feels involved and develops a vested interest in the project. All agreed that even perceptions of corruption create challenges for NGOs in the community. Yarub Al-Shirada gave one example of a group that was operating under the same name as his organization but suspected of being involved in financial misconduct. Sheikh Fareeq shared his concerns about projects being run by individuals who have lied about their credentials.

What About Security?

18. (C) The Vice President expressed interest in whether NGOs trust local security forces like the Iraqi Army or the Peshmerga. Al-Nouri explained that Mercy Corps has creative ways of trying to deal with security challenges, and their approach tends to vary from one district to the next. Their model is to work only in communities where they are specifically invited, and they also leave areas when instructed; Mercy Corps also has a "no arms" policy. Sheikh Fareeq said that while there has been an improvement in security, fear remains that security will decline again. He expressed his concern that, with so many unemployed young people, "for \$100 a person will do anything," including possibly acts of violence or crime. Ammar Al-Shahbander agreed that joblessness is a security issue, and called for more investment from international corporations.

Conclusion

19. (C) Vice President Biden agreed that more jobs and
Q9. (C) Vice President Biden agreed that more jobs and foreign investment are important, and he hears this often. But, he added, there is a "dynamic tension" between foreign investment, security, and preparation of the work force. If educated workers are not available, or if security is insufficient, it is difficult to attract investment. The Vice President concluded by noting that there will be no easy answers to the problems discussed, and stressing the importance of our continued shared efforts to find solutions.
HILL